

May 1, 2008

The Honorable Michael O. Leavitt  
Secretary  
U.S. Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue S.W.  
Washington, D.C. 20201

**RE: May 23, 2008 National Provider Identifier Compliance Date**

Dear Secretary Leavitt,

The undersigned organizations are writing to communicate our apprehension regarding the May 23, 2008, expiration of the National Provider Identifier (NPI) contingency plan. Specifically, we are concerned that significant claims processing and payment problems could result if health care providers are no longer permitted to include their legacy identifiers when conducting standard transactions after May 23<sup>rd</sup>. Based upon input we have received across the health care industry, while significant progress has been made to meet the NPI deadline, particularly over the last year, there remain entities that are still resolving implementation issues. **Therefore, we urge you to allow physician practices and others to continue to submit transactions that contain both legacy and NPI numbers for a minimum of six additional months after May 23. Furthermore, we urge you to closely monitor the readiness level of covered entities and take all appropriate steps necessary to ensure that the industry does not experience wide-scale disruption in claims processing and payment during this time.**

According to program officials, Medicare Part B claims are now processing at a rate of more than 99 percent following March 1, 2008, the date when the program began accepting claims with just the NPI or the NPI accompanied by a legacy number. However, Medicare has acknowledged that a relatively small subset — approximately 20 percent — of these claims are being submitted with just an NPI. Furthermore, the number of claims that have been submitted with just an NPI rose less than 5 percent in the past month. It is also unclear what percentage of claims physicians are holding while they work through any matching problems. With the May 23 deadline less than a month away, it is highly unlikely that the volume of claims being sent successfully with just an NPI will reach an acceptable level. Also, aside from claims transactions, the rate at which the NPI only is being included on other HIPAA transactions is likely even lower.

Following the March 1 deadline, physician practices that experienced reimbursement problems as a result of Medicare's inability to match their old legacy number(s) to their new NPI number(s) were in most cases instructed to re-enroll. While the undersigned organizations continue to harbor significant concerns with the requirement that physicians re-enroll in order to assist Medicare to establish a good "match," we are especially anxious with the pending May 23 deadline and the impact this could have on physicians still in the midst of the enrollment process. We also continue to hear from our members that carriers are providing conflicting or inaccurate information, with some members just now learning that they must re-enroll. While these issues may represent a small percentage of overall providers, in many cases these are small practices that simply cannot afford a cash flow interruption spanning a month or more. Once they have re-enrolled, they will also need time to send test claims to Medicare with just their NPI. We were pleased that Medicare has instructed the carriers to process any enrollment applications associated with NPI problems first, and believe that this practice should continue.

In addition to our concerns with Medicare, we are concerned about the readiness of clearinghouses and commercial payers. It is our understanding that the rate of claims that are being processed successfully with just the NPI by commercial payers is comparable to Medicare and thus is still very low. We have also heard the readiness level among state Medicaid programs varies. For instance, it is our understanding that New York State Medicaid has said they will not be ready to accept claims with just an NPI after the May deadline. In addition, some clearinghouses may be waiting until the May 23 deadline before beginning to submit claims with NPI only. This lack of testing could result in significant processing problems.

The rate of claims that are being submitted to payers with just an NPI may also be masking other readiness issues that may only come to light after May 23 — problems that could be averted if the rate of claims with just an NPI is substantially increased. For instance, some physician practices, especially the smallest ones, may have practice management systems that do not have the ability to submit claims with an NPI only to a payer(s) and claims with NPI plus the legacy number to another payer(s). This could present a real challenge for some practices if some payers are not ready by May 23. Practices that have not been using a clearinghouse would need to employ one or revert back to submitting paper claims if permitted.

**With the above concerns in mind, we strongly urge:**

- 1. CMS delay enforcing use of just the NPI on claims and other HIPAA standard transactions and permit these transactions to be conducted with both legacy and NPI numbers for a minimum of six months following May 23 (November 23);**
- 2. Medicare continue accepting claims and other transactions with an NPI number(s) accompanied by a legacy number(s) for at least six months following May 23;**
- 3. CMS review and assess the rate of claims and other transactions being submitted successfully with just the NPI by Medicare, commercial payers and other public payers (and the rate of claims sent with the NPI only which are rejected) during the six month period following May 23;**
- 4. CMS terminate any contingency plan if and only if it is apparent that the vast majority of claims are processing successfully with the NPI only; and**
- 5. If the contingency timeframe terminates on May 23 as currently planned, that Medicare closely monitor the rejection rates and claims processing interruptions immediately following the deadline and be prepared to allow claims to be resubmitted with the NPI and legacy numbers together if there are significant interruptions.**

The undersigned organizations believe that the low volume of claims being processed with just an NPI number as well as the industry readiness feedback we have received point to the need for more time to continue to facilitate Medicare's ability to appropriately match a physician's old legacy identifier(s) to their new NPI number(s). We recognize that CMS does not want to extend the deadline, but we continue to be very concerned that the claims processing system will be interrupted and the impact that this could have on patient access to care.

We thank you for the opportunity to discuss our concerns and provide our recommendations.

Sincerely,

American Academy of Dermatology Association  
American Academy of Family Physicians

American Academy of Neurology Professional Association  
American Academy of Ophthalmology  
American Academy of Otolaryngology—Head and Neck Surgery  
American Academy of Pediatrics  
American Association of Clinical Endocrinologists  
American Association of Clinical Urologists  
American Association of Neurological Surgeons  
American College of Obstetricians and Gynecologists  
American College of Osteopathic Internists  
American College of Osteopathic Surgeons  
American College of Physicians  
American College of Radiology  
American College of Rheumatology  
American College of Surgeons  
American Gastroenterological Association  
American Medical Association  
American Osteopathic Academy of Orthopedics  
American Osteopathic Association  
American Psychiatric Association  
American Society for Gastrointestinal Endoscopy  
American Society of Anesthesiologists  
American Society of Hematology  
American Society of Pediatric Nephrology  
American Society of Plastic Surgeons  
American Thoracic Society  
American Urological Association  
College of American Pathologists  
Congress of Neurological Surgeons  
Infectious Diseases Society of America  
Medical Group Management Association  
Renal Physicians Association  
Society for Vascular Surgery  
Society of Hospital Medicine  
Society of Interventional Radiology  
The Endocrine Society